

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515

June 25, 2019

The Honorable Richard Neal
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Earl Blumenauer
Chairman, Subcommittee on Trade
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Neal and Chairman Blumenauer:

Thank you for convening the hearing today about Mexico's labor reform. Mexico's successful passage of its watershed labor reform as well as ratification of USMCA demonstrates its strong commitment to improving conditions for Mexican workers. Now it is time for the U.S. Congress to act. We look forward to working with you to approve USMCA as soon as possible to ensure that Mexico upholds its labor commitments and to help level the playing field for American workers, farmers, and local businesses. We write to highlight several principles that will be our focus in today's hearing and into the future.

First, USMCA includes advanced, comprehensive, and enforceable labor obligations that are the strongest out of any of our trade agreements. USMCA's ground-breaking labor commitments greatly improve upon NAFTA by incorporating the obligations into the core text of the agreement and subjecting them to dispute settlement. USMCA also includes a Mexico-specific Labor Annex, which requires it to enact specific legislation providing for the effective recognition of the right to collectively bargain and delays entry into force until such legislation is passed.

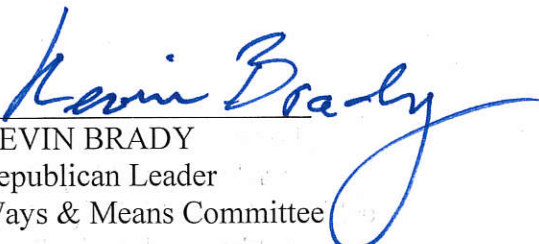
Second, Mexico has already passed historic labor reform and USMCA, demonstrating its strong commitment to improving labor conditions and to free and fair trade. Mexico's labor reform overhauls its system of labor justice and will create markedly better conditions for its workers. In fact, the non-partisan, independent U.S. International Trade Commission estimates that the collective bargaining provisions will increase wages of unionized workers in Mexico by 17.2 percent, creating fairer competition for American workers. The Mexican government has already demonstrated good faith to implement this new law thoroughly and effectively.

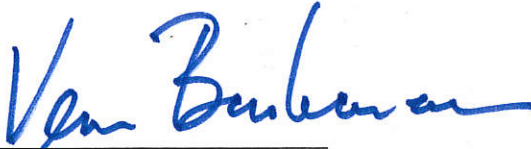
Third, to the extent that there is any question about Mexico's commitment, Congress should pass USMCA without delay to ensure that Mexico faithfully implements its new laws and that American workers get the benefits of those actions. Unlike in NAFTA, USMCA's labor obligations are fully enforceable through the agreement's dispute settlement mechanism. Therefore, passing the agreement without delay will enable the United States to hold Mexico accountable to fully implement its labor reform. This will help level the playing field for

American workers, farmers, and local businesses and will help provide certainty that Mexico will not backtrack on these reforms.

We appreciate your scheduling of this timely hearing. We look forward to addressing these critical issues with the witnesses today and working on a bipartisan basis to approve USMCA as quickly as possible.

Sincerely,


KEVIN BRADY
Republican Leader
Ways & Means Committee


VERN BUCHANAN
Republican Leader
Ways & Means Committee
Trade Subcommittee